



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

February 27, 2004

Governing Board
Ray Unified School District No. 3
P.O. Box 427
Kearny, AZ 85237-0427

Members of the Board:

In our July 28, 2003, procedural review report we notified you that the District had not complied with the *Uniform System of Financial Records* (USFR) as of March 18, 2003. The District was given 90 days to implement the recommendations in our report. We subsequently performed a status review of the District's internal controls as of December 3, 2003. The purpose of our status review was to determine whether the District was in substantial compliance with the USFR as of the date of our review. Our review consisted primarily of inquiries and selective testing of accounting records and control procedures. The review was more limited in scope than would be necessary to express an opinion on the District's internal controls. Accordingly, we do not express an opinion on its internal controls or ensure that all deficiencies were disclosed.

Based on our status review as of December 3, 2003, the District has complied with the USFR. We acknowledge the District's diligence in taking action to substantially correct previous deficiencies. Any remaining deficiencies have been discussed with District management.

Thank you for the assistance and cooperation that your administrators and staff provided during our status review. If you have questions concerning this matter, please call Laura Miller, Accounting Services Manager, at (602) 553-0333.

Sincerely,

Debra K. Davenport
Auditor General